

Goal: ECONOMIC VITALITY

Desired Community Condition(s)

The economy is vital, prosperous and consistent with local and regional resources.

Program Strategy: TOURISM

25590

Promote Tourism

Department: FINANCE AND ADMINISTRATIVE SERVICES

Service Activities

Albuquerque Convention and Visitor's Bureau

Hispano Chamber of Commerce

All Indian Pueblo Cultural Center

Convention Center Operating Contribution

Convention Center Operating

Convention Center Lodgers Tax Reimbursed

Strategy Purpose and Description

Maximize the value of tourism to the local economy within the greater Albuquerque area through the use of public/private partnerships.

This presentation incorporates 2 program strategies that combines general fund and Lodgers Tax resources.

This presentation covers destination marketing through contracts with ACVB, the Hispano Chamber, and the Indian Pueblo Cultural Center, as well as the operations and local marketing of the Albuquerque Convention Center. The later is now done under contract with SMG.

Changes and Key Initiatives

FY 2005 is the first complete year of operation of the Albuquerque Convention Center under contract with a private management company, SMG.

Priority Objectives

Input Measure (\$000's)

2005	110	110 GENERAL FUND	2,041
2005	220	220 LODGER'S TAX FUND	4,130

Strategy Outcome	Measure	Year	Project	Mid Year	Actual	Notes
Promote Tourism	Lodger's Tax Revenue	2005	8,442,000			2001-8,488,118, 2002-8,319,031, 2003-8,326,069

Strategy Outcome	Measure	Year	Project	Mid Year	Actual	Notes
Maximize use of the Convention Center for conventions and community use	Facility utilization	2005	24%			2001-26%

<i>Strategy Outcome</i>	<i>Measure</i>	<i>Year</i>	<i>Project</i>	<i>Mid Year</i>	<i>Actual</i>	<i>Notes</i>
Maximize use of the Convention Center for conventions and community use	<i># of events</i>	2005	600			2001-775

Goal: ECONOMIC VITALITY

Parent Program Strategy: TOURISM

Department: FINANCE AND ADMINISTRATIVE SERVICES

Service Activity: Albuquerque Convention and Visitor's Bureau

1351000

Service Activity Purpose and Description

ACVB receives approximately \$4.0 million dollars annually to market Albuquerque as a destination for tourists and convention business. Contract with ACVB runs on a three-year basis, with annual work plan and performance measures; actual amounts received vary depending on tax income generated. Current contract was negotiated with new performance measures.

Changes and Key Initiatives

ACVB responded with development of new strategic and marketing plans. Lodger's Tax revenues are down slightly again last year due to Sept. 11th and national economic downturn. ACVB, Hispano, and Convention Center developed a joint activities plan outlining new areas of cooperation. New output measures were developed for the FY/02 Contract, and implemented in 03. ACVB calculated and reported ROI for FY02 although it was not required for that year's contract.

Service activity moved from Program Strategy 39513.

Input Measure (\$000's)

2005	220	220 LODGER'S TAX FUND	3,622
------	-----	--------------------------	-------

Strategic Accomplishments

FY/03: Implemented recommendations from study of effectiveness of the contractors, and the relationship with the Convention Center. New performance measures based on "Return on Investment" were developed as were stronger reporting and accountability measures. Performance measures call for a return of \$15 in direct expenditures for every \$1 of Lodgers Tax invested. For FY02, ACVB achieved a 17:1 ratio (not including the Bowling Congress, which put it at 32:1). ACVB met or exceeded most of its performance goals even at a time of significant disruption in the hospitality industry.

<i>Output Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
Return On Investment	2005	15:1			

<i>Output Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
Room Nights attributed to ACVB	2005	tbd			

Goal: ECONOMIC VITALITY

Parent Program Strategy: TOURISM

Department: FINANCE AND ADMINISTRATIVE SERVICES

Service Activity: Hispano Chamber of Commerce

1352000

Service Activity Purpose and Description

Hispano receives approximately \$500,000 annually to market Albuquerque as a destination for convention business for the Hispanic and Native American markets. Contract with Hispano runs on a three-year basis, with annual work plan and performance reviews. Actual amounts received vary depending on tax income generated.

Changes and Key Initiatives

Lodger's Tax revenues were down slightly again last year due to events of Sept. 11th, and the national recession. ACVB, Hispano, and Convention Center developed a joint activities plan outlining new areas of cooperation. AHCC no longer focuses on tourism utilizing lodgers tax funds; emphasis is on group tours and conventions. New output and accountability measures were incorporated into new contract.

Service activity moved from Program Strategy 39513.

Input Measure (\$000's)

2005	220	220 LODGER'S TAX FUND	478
------	-----	-----------------------	-----

Strategic Accomplishments

FY/03: Implemented recommendations from the study of effectiveness of the contractors, and the relationship with the Convention Center. New performance measures based on "Return on Investment" were instituted. Performance measures call for a return of \$15 in direct expenditures for every \$1 of Lodgers Tax invested.

Improved reporting and accountability measures were incorporated into the new contract.

<i>Output Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
Return on Investment	2005	15:1			

<i>Output Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
Room Nights attributed to Hispano	2005	tbd			

Goal: ECONOMIC VITALITY

Parent Program Strategy: TOURISM

Department: FINANCE AND ADMINISTRATIVE SERVICES

Service Activity: All Indian Pueblo Cultural Center

1353000

Service Activity Purpose and Description

IPCC receives approximately \$30,000 annually to market Albuquerque as a destination for tourists, particularly the Indian Pueblo Cultural Center. Contract with IPCC runs on an annual basis. This contract was managed by the Cultural Services Department, and transferred to OED this FY.

Changes and Key Initiatives

Work with Lodgers Tax Advisory Board to develop performance and accountability measures.

Service activity moved from Program Strategy 39513.

Input Measure (\$000's)

2005	220	220 LODGER'S TAX FUND	30
------	-----	-----------------------	----

Strategic Accomplishments

Goal: ECONOMIC VITALITY

Parent Program Strategy: TOURISM

Department: FINANCE AND ADMINISTRATIVE SERVICES

Service Activity: Convention Center Operating Contribution

2593000

Service Activity Purpose and Description

This service activity funds the negotiated subsidy for SMG that represents the difference between anticipated revenues and projected operating expenses, determined pursuant to the contract between the City and SMG. This contract is performance based. If results exceed the negotiated operating contribution, there are provisions for sharing the improvement (75% to City, 25% to contractor, not to exceed a preset limit). The operating subsidy can be increased only under extraordinary circumstances, defined in the contract and requires Mayor and City Council approval.

It should be noted that "Citywide" conventions are the revenue driver for the Convention Center. These large conventions are most often booked years in advance. Additional revenue is developed by renting the facility for local uses and by the use of concession services (food and beverage, AV, electrical, telecommunications services, etc.) by the renters.

SMG reports monthly to the city on utilization, customer satisfaction, new bookings, collaboration with the marketing partners, facility maintenance, capital repair needs, etc.

Changes and Key Initiatives

New service activity for 2005

Input Measure (\$000's)

2005	110	110 GENERAL FUND	987
------	-----	------------------	-----

Strategic Accomplishments

Goal: ECONOMIC VITALITY

Parent Program Strategy: TOURISM

Department: FINANCE AND ADMINISTRATIVE SERVICES

Service Activity: Convention Center Operating

2594000

Service Activity Purpose and Description

This service activity covers costs to the City attributable to the Convention Center, which are considered unavoidable. This includes certain risk management costs and facility capital costs. These costs were identified in the RFP process and factored into the recommendation of contract award during the RFP process.

Changes and Key Initiatives

New service activity for 2005.

Input Measure (\$000's)

2005 110 110 GENERAL FUND 921

Strategic Accomplishments

<i>Output Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
number of capital projects over \$5,000.	2005	TBD			<i>City is responsible for capital improvements and renovations pursuant to management contract.</i>

<i>Output Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
number of tort claims involving ACC and the City.	2005	TBD			

Goal: ECONOMIC VITALITY

Parent Program Strategy: TOURISM

Department: FINANCE AND ADMINISTRATIVE SERVICES

Service Activity: Convention Center Lodgers Tax Reimbursed

2595000

Service Activity Purpose and Description

This service activity provides oversight of Lodgers Tax contracts as well as the convention center management contract. These contracts are performance based and involve tracking overall results.

Changes and Key Initiatives

New service activity for 2005.

Input Measure (\$000's)

2005	110	110 GENERAL FUND	133
------	-----	------------------	-----

Strategic Accomplishments